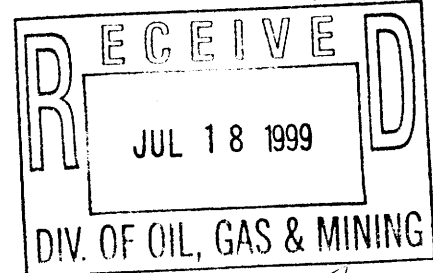




July 16, 1999

**Via Overnight Delivery**

Lowell P. Braxton, Director  
 Department of Natural Resources  
 Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Salt Lake City, Utah 84114-5801



**Re: Permit Transfers, White Oak Mining and Construction, Inc. to Lodestar Energy, Inc. White Oak #1 and #2 Mines, ACT/007/001, and Horizon Mining, LLC to Lodestar Energy, Inc. Horizon Mine, ACT/007/020, Folder #3, Carbon County, Utah**

Dear Mr. Braxton:

Thank you for your letter of July 14<sup>th</sup> concerning the transfer of the above referenced permits, with the decision documents enclosed.

Enclosed you will find one copy of each permit signed on behalf of Lodestar Energy, Inc. Additionally, we will submit the revised legal and financial information requested by August 13, 1999.

We appreciate the cooperation shown by you and your department in this transfer process. Please always feel free to contact me if you have questions or need information.

Very truly yours,

R. Eberley Davis  
 Vice President & General Counsel

RED:cgs

cc: Dave Miller, Lodestar (w/enclosures)  
 Mike Malmquist, Parsons Behle & Latimer (w/enclosures)